ΥΠΟΥΡΓΕΙΟ ΠΑΙΔΕΙΑΣ ΚΑΙ ΠΟΛΙΤΙΣΜΟΥ
ΔΙΕΥΘΥΝΣΗ ΑΝΩΤΕΡΗΣ ΚΑΙ ΑΝΩΤΑΤΗΣ ΕΚΠΑΙΔΕΥΣΗΣ
ΥΠΗΡΕΣΙΑ ΕΞΕΤΑΣΕΩΝ

ΠΑΓΚΥΠΡΙΕΣ ΕΞΕΤΑΣΕΙΣ 2011

ΜΑΘΗΜΑ: **ΛΟΓΙΣΤΙΚΗ**

ΗΜΕΡΟΜΗΝΙΑ ΚΑΙ ΩΡΑ ΕΞΕΤΑΣΗΣ: **Παρασκευή, 3 Ιουνίου 2011**
07:30 – 10:30

ΤΟ ΕΞΕΤΑΣΤΙΚΟ ΔΟΚΙΜΙΟ ΑΠΟΤΕΛΕΙΤΑΙ ΑΠΟ ΕΝΝΕΑ (9) ΣΕΛΙΔΕΣ

<u>ΟΔΗΓΙΕΣ:</u>

- Να απαντήσετε όλες τις ερωτήσεις (Answer all questions)
- Όλοι οι υπολογισμοί πρέπει να φαίνονται καθαρά στο γραπτό σας
- Επισυνάπτεται Τυπολόγιο Λογιστικών Αριθμοδεικτών τριών (3) σελίδων.

QUESTION 1 (20 marks)

Exercise 1

Pyrsos Limited, is a Company with registered Capital of 100 000 Ordinary shares, €2 each. 50 000 Ordinary shares had already been issued at par, and the Company offered additional 20 000 Ordinary shares for subscription at a premium of 10% payable as follows:

€0,50 per share on application
€1,20 on allotment (including premium)
€0,30 on first call
and the balance on second and final call.

Applications were received for 30 000 shares. The directors decided that applications for 6 000 shares would be rejected and the application money refunded to the unsuccessful applicants. The remaining applicants would be satisfied on a pro-rata basis.

Application and allotment money were duly received, but when the First call was to be received one shareholder holding 1 000 shares failed to pay, while another shareholder holding 500 shares paid them in full. When the Final call was to be received all shareholders settled their obligations except the one holding the 1 000 shares.

REQUIRED:

Show the following ledger accounts in the books of Pyrsos Ltd:

(a) Application and allotment account	**(marks 4)**
(b) Ordinary share capital account	**(marks 2)**
(c) Bank account	**(marks 2,5)**
(d) First call account	**(marks 1,5)**
(e) Second and final call account.	**(marks 2)**

NOTE: All your workings must be shown. **(Total marks 12)**

Exercise 2

The following summary refers to the final accounts of Andromachi Plc for the year ended 31 December 2010:

Trading, profit and loss account

	€ '000	€ '000
Net sales (all credit)		800
Less: Cost of goods sold		
Stock 1/1/2010	30	
Purchases	620	
Goods available for sale	650	
Stock 31/12/2010	(36)	614
Gross profit		186
Selling and administration expenses		(86)
Profit before tax		100
Corporation tax		(42)
Profit after tax		58

Balance Sheet as at 31 December 2010

	€ '000
Fixed assets	290
Current assets	
Stock	36
Debtors	84
Cash	25
	145
Total assets	435
Capital and reserves	
Ordinary shares	280
Revenue reserves	75
Current liabilities	80
	435

REQUIRED:

I. Using the information given above, calculate the following ratios:

a) Return on capital employed
b) Working Capital (Current) ratio
c) Stock Turnover ratio
d) Debtors ratio (in months) **(marks 4)**

II. Give a brief explanation for each of the above ratios.
(Εξηγήστε με συντομία τι δείχνει ο καθένας από τους πιο πάνω αριθμοδείκτες). **(marks 4)**
NOTE: All your workings must be shown. **(Total marks 8)**

QUESTION 2 (20 marks)

The following Trial balance was extracted from the books of Hercules Ltd on 30 June 2010, after the preparation of the Trading account:

	€	€
Issued Share Capital		
50 000 Ordinary Shares of €2 each		100.000
10 000 8% Preference Shares of €2 each		20.000
Buildings	80.000	
Furniture and Fittings	20.000	
Debtors – Creditors	26.000	11.250
Administration expenses	30.200	
8% Debentures (issued on 1 January 2010)		30.000
Provision for doubtful debts		1.100
Profit and Loss (balance 1 July 2009)		4.800
Goodwill	10.000	
Bank	19.600	
Interim Preference share dividend	1.000	
Interim Ordinary share dividend	4.900	
Gross Profit		78.000
General Reserve		4.550
Provision for depreciation of buildings		6.400
Provision for depreciation of furniture & fittings		3.800
Stock (30 June 2010)	52.300	
Calls in arrear (Ordinary Shares)	2.000	
Debenture Interest	600	
Directors Remuneration	10.000	
Audit Fees	3.300	
	259.900	259.900

Notes:

(a) The authorised share capital of the company consists of 100 000 Ordinary shares of €2 each and 25 000 8% Preference shares of €2 each.
(b) Prepaid Administration expenses as at 30 June 2010 €300.
(c) Provide for the interest due on debentures.
(d) Depreciation should be provided as follows:-
Buildings 4%, using the straight line method
Furniture & Fittings 10%, using the diminishing balance method
(e) Provision for doubtful debts to be adjusted to 5% of Debtors.
(f) The Directors decided to:
1. Provide for Corporation tax at the rate of 10%
2. Provide for the final Preference share dividend and for the final dividend of €0,20 per Ordinary share
3. Write off an amount of Goodwill €3.000
4. Transfer an amount of €2.000 to General reserve.

REQUIRED:

(a) Prepare the Profit and Loss and Appropriation accounts for the year ended 30 June 2010. **(marks 10)**

(b) The Balance Sheet of the Hercules Ltd (in vertical form) as at 30 June 2010. **(marks 10)**

(Total marks 20)

<u>QUESTION 3 (20 marks)</u>

Exercise 1

D. Demetriou Ltd has a head office in Limassol and a branch in Nicosia. Goods are invoiced to the Nicosia branch at cost plus 25%.

The data given below refer to the Nicosia branch transactions, during the year ended 31 December 2010:

	€
Stock, 1 January 2010, at invoice price	36.000
Stock, 31 December 2010, at invoice price	15.000
Goods sent to branch, at invoice price	165.000
Debtors, 1 January 2010	21.000
Debtors, 31 December 2010	18.000
Cash Sales	8.400
Returns from branch at invoice price	2.400
Returns from Debtors to branch	3.000
Cash received from Debtors	175.080
Bad Debts	720
Discounts Allowed	1.200
Allowances off selling price	1.500

REQUIRED:

Prepare the following accounts in the books of the head office for the year ended 31 December 2010:

I. Branch stock account **(marks 4)**
II. Branch adjustment account **(marks 5)**
III. Branch debtors account. **(marks 2)**

(Total marks 11)

Exercise 2

David and Emil are in partnership sharing profits and losses in the ratio of 3:2 respectively.

The partnership Balance Sheet as at 30 April 2010 was:

Balance Sheet as at 30 April 2010

	€	€		€	€
Fixed Assets			**Capital a/cs**		
Furniture & fittings	12.800		David	80.000	
Machinery	52.000	64.800	Emil	50.000	130.000
Investments		22.000			
Current Assets			**Current Liabilities**		
Stock	43.600		Creditors	4.400	
Debtors	6.500		Bank overdraft	3.600	8.000
Cash	1.100	51.200			
		138.000			138.000

David and Emil agreed to admit Franc as a partner on the 1 of May 2010 with the following conditions:

1. Franc is to bring into business €25.000 as capital.
2. The new profit sharing ratio will be 3:2:1.
3. The firm's Goodwill, as at the date of admission, will be valued at three (3) years' purchase of the average profits of the last four (4) years. The net profits €9.000, €10.300, €9.500 and €9.200. No Goodwill account is to be opened in the books, but it will be adjusted in the Partners capital accounts.
4. The assets below, were revalued as follows:

	€
Furniture & Fittings	11.800
Machinery	50.000
Investments	26.000
Stock	44.100

REQUIRED

(a) Calculate the total value of goodwill and show in a statement its allocation to the partners. **(marks 3,5)**
(b) The Revaluation account. **(marks 2)**
(c) The Partners' capital accounts (in columnar form). **(marks 3,5)**
(Total marks 9)

QUESTION 4 (20 marks)

Mona and Liza are partners sharing profits and losses in the proportion of 2:1 respectively. The Balance Sheet as at 31 December 2010 was as follows:

Balance Sheet as at 31 December 2010

	€	€		€	€
Fixed Assets			**Capital a/cs**		
Land & buildings	580.000		Mona	400.000	
Motor vans	120.000	700.000	Liza	200.000	600.000
Current Assets			**Current a/cs**		
Stock	58.000		Mona (Dr)	(23.500)	
Debtors	27.000		Liza (Dr)	(12.500)	(36.000)
Cash	5.000	90.000	**Long-term loans**		
			Loan		195.000
			Current Liabilities		
			Creditors	9.500	
			Bank overdraft	21.500	31.000
		790.000			790.000

On 1 January 2011, MonaLiza Ltd was formed with an authorized share capital of 1 000 000 Ordinary shares of €2 each and took over all the above assets (except Cash) and liabilities (except Bank overdraft which was repaid by the partnership).

The assets taken over by MonaLiza Ltd as at 1 January 2011 were valued as follows:

Land & buildings	€ 1.000.000
Motor vans	€ 90.000
Stock	€ 50.000
Debtors	€ 25.000 (the difference being provision for doubtful debts)

The purchase consideration was agreed to €1.000.000. This was discharged by a cash payment of €100.000 and the balance by the issue to the partners of 400 000 ordinary shares.

To finance the conversion of the partnership into a limited company, MonaLiza Ltd issued to the public 200 000 ordinary shares, at a 25% premium, which have been fully paid at once.

MonaLiza Ltd paid €5.500 for preliminary expenses.

REQUIRED:

(a) Prepare the journal entries in the books of MonaLiza Ltd, including those relating to cash, to record the above transactions.

(marks 11)

(b) Prepare the opening Balance sheet of MonaLiza Ltd as at the date of conversion, 1 January 2011. **(marks 7)**

(c) State two (2) advantages of the conversion of a partnership into a limited company.
(Δώστε 2 (δύο) πλεονεκτήματα πού προκύπτουν από την μετατροπή της προσωπικής επιχείρησης σε εταιρεία περιορισμένης ευθύνης).

(marks 2)

NOTE: All your workings must be shown.

(Total marks 20)

QUESTION 5 (20 marks)

Andreas, Petros and Savvas were in partnership sharing profits and losses in the ratio of 4:2:1 respectively. They have decided to dissolve their partnership on 31 December 2010 when the Balance Sheet was as follows:

Balance Sheet as at 31 December 2010

	€	€		€	€
Fixed Assets			**Capital a/cs**		
Buildings	175.000		Andreas	200.000	
Machinery	80.000		Petros	100.000	
Delivery vans	20.000		Savvas	50.000	350.000
Furniture and fittings	19.000	294.000			
			Current a/cs		
Current Assets			Andreas	(6.800)	
Stock	18.000		Petros	10.100	
Debtors	22.000		Savvas	(43.300)	(40.000)
Cash	1.000	41.000			
			Current Liabilities		
			Creditors		25.000
		335.000			335.000

The following transactions relating to the dissolution took place:

- The Building was taken by Andreas at an agreed price of €160.000.
- Half of the Stock was taken by Petros at an agreed price of €8.000.
- Debtors realized €18.000.
- The rest of the assets were sold as follows:

	€
Machinery	53.000
Furniture and Fittings	16.000
Delivery Van	12.000
Stock	7.000

- The creditors were paid, by cheque, allowing a discount of 8%.
- Dissolution expenses amounting to € 1.500 were paid by cheque.

Partners Andreas and Petros were solvent, but partner Savvas was insolvent. The rule of “Garner v Murray” should be applied in settling Savvas' insolvency.

REQUIRED:

Prepare the following accounts to reflect the dissolution of the partnership:

I. Realisation account **(marks 8)**
II. Partner's capital accounts (in columnar form) **(marks 8)**
III. Bank account. **(marks 4)**
NOTE: All your workings must be shown.

(Total marks 20)

(Grand total marks 100)

THE END